(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Under the provisions of the Constitution, the executive powers of a State extend to borrowing only within the territory of India. Also, under the VII Schedule of the Constitution, 'Foreign Loans' come under the Union list. Thus, State Governments cannot receive financial assistance from foreign countries/institutions directly. The external assistance in respect of projects implemented in various States are obtained by the Central Government and passed on to the States on different terms and conditions. Therefore, there is no outstanding loan against Government of Andhra Pradesh to World bank, IMF or other international financial institutions. The State Government owes the loan component of the Additional Central Assistance (assistance obtained from external agencies) to the Central Government which as the principal borrower discharges its debt obligations to external agencies.

(b) to (d) Do not arise.

Exemption to Agricultural Marketing Committees from IT Act

1431. SHRI K.B. KRISHNA MURTHY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the States which have requested Government to exempt Agricultural Marketing Committees and Boards from the purview of Income Tax Act;

(b) whether Karnataka Government has also made a similar request; and

(c) if so, whether Government would take steps to exempt the above Committees/Boards from the purview of Income Tax Act?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) A number of States including Madhya Pradesh, Gujarat, Karnataka, Delhi, Rajasthan, West Bengal have made such request.

(c) No such proposal is under consideration.

Siphoning of money by American companies

†1432. Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

†Original notice of the question was received in Hindi.

(a) whether Government's attention has been drawn to the news-item appearing in Rashtriya Sahara dated 30th July, 2002 captioned "Aam Janata ki kamai videshon mai chali jayegi kya tab chetegi sarkar";

(b) if so, what is Government's reaction thereto;

(c) what action has been taken by Government in order to put a check on the money being siphoned-off to foreign countries by American companies illegally, keeping in view the comment of the Delhi High Court; and

(d) what has been the outcome of the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Yes, Sir. The Enforcement Directorate had already initiated action against the associated companies of M/s. Skybiz.com in India for unauthorised transfer of funds abroad even prior to the publication of the said news-item. Central Bureau of Investigation, Maharashtra Police, Reserve Bank of India and Income Tax Department have also been requested by the Enforcement Directorate to take appropriate action in the matter.

(c) and (d) In the light of the Delhi High Court's observation, the Enforcement Directorate have requested the Reserve Bank of India to give publicity and to make the general public and authorised dealers aware in this regard.

Reserve Bank of India have advised Banks as well as authorised dealers not to accept/or to entertain any request for remitting money out of India by M/s Skybiz and any of the company who are engaged in such unauthorised activities.

Fiscal deficit of States

†1433. SHRI MOTILAL VORA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether solution of the financial crisis of the States has been found;

(b) whether it is a fact that Government had expressed hope of finding a solution to the financial crisis of the States by the end of September, 2002; and

(c) if so, by when the solution of the financial crisis of the States would be found?

†Original notice of the question was received in Hindi.